

January 28, 1976

SENATOR DWORAK: Mr. President, I have several questions of Senator Schmit. Senator Schmit, is this bonding going to be readily available to these packers?

SENATOR SCHMIT: You know Senator Dworak that there is no shortage of bonding capacity. The original testimony that we heard in committee was that the bonding capacity would not be available, that is not the case, and so far as the Governor has already enforced the Rule and Regulation they have had no trouble in securing bonds.

SENATOR DWORAK: In addition to the bonding requirement are we asking for a certified statement, financial statement of every packer to be filed?

SENATOR SCHMIT: More important than that Senator Dworak is the necessity for continuing monitoring of the daily purchases, the weekly purchases of a company to indicate whether or not their purchases are in line with the previous expenditures. Any time that the expenditures would run 150% of the weekly purchases previously, then it requires additional security or additional proof of financial responsibility to the Director.

SENATOR DWORAK: Then the other question, who must conform to this regulation? Who is the registrant? Just packers? Anyone purchasing livestock?

SENATOR SCHMIT: Anyone purchasing livestock for slaughter.

SENATOR DWORAK: Then my final question is what are the penalties if the provisions are not complied with?

SENATOR SCHMIT: Mr. Kreuscher, I'm not sure if he changed the penalties from our bill, but I can check this and answer you in just a minute. I don't have that with me right now. Available to me. I believe, that the penalty would be of course, the failure to be able to purchase livestock in Nebraska. That would be the first penalty. A cease and order on the packer.

SENATOR DWORAK: Does this apply to sales barn operations at all Senator Schmit?

SENATOR SCHMIT: No, Senator Dworak, a sales barn are covered under another act, they have to be bonded and have been bonded for many years, under separate acts.

PRESIDENT: Senator Schmit would you close debate on this matter please.

SENATOR SCHMIT: Mr. President, members of the Legislature. In response to Senator Keyes, I agree with him, and he is right that a two days bond is perhaps not sufficient, but the most important part of it is the monitoring by the Department and the fact that the bond will be realistic in line with two days kill plus the fact that any changes in the procedures of the packing company will be subject to monitoring and will of course require to provide additional security. I think that the department has done a good job